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F.O.

424

FURTHER CORRESPONDENCE

RESPECTING THE

REVISION OF THE COMMERCIAL TREATIES

BETWEEN

GREAT BRITAIN AND TURKEY.

[In continuation of Confidential Paper No. 6284.]

1893.

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CONFIDENTIAL.

Further Correspondence respecting the Revision of the Commercial Treaties between Great Britain and Turkey.

[In continuation of Confidential Paper No. 6284.]

No. 1.

Sir Clare Ford to the Earl of Rosebery.—(*Received January* 11.)

(No. 2. Commercial.)

My Lord, *Constantinople, January* 2, 1893.

WITH reference to your Lordship's despatch No. 112, Commercial, of the 17th ultimo, I have the honour to state that the print which was supplied to this Embassy shows the Tariff in its final state. This Tariff was sent home in the late Ambassador's despatch No. 17, Commercial, Confidential, of the 13th February, 1891, since which time no further changes have been made in it.

With regard to the question whether it is likely that the Porte will seek to put their own new Tariff into force before the Treaties with the European Powers are concluded, I have the honour to refer your Lordship to the note which the late Sir W. White addressed to Saïd Pasha on the 10th June, 1891. (See Confidential Print No. 6158, p. 31.)

Sir W. White stated that Her Majesty's Government understood that until the conclusion of the new Treaty, which will also include the new Tariff, accepted under certain conditions and *ad referendum* by our Delegates in July 1885, with the modifications introduced into it after the agreement arrived at with other Governments, no change would be made in the wording of the system actually in force as regards the subjects, the commerce and the shipping of the United Kingdom, and without the consent of Her Majesty's Government.

Since my arrival here there have been rumours from time to time that the Turkish Government did intend to enforce the new German Treaty, and, of course, with it, the Tariff; and in my despatch No. 21 of the 24th March, 1892, I reported the steps I had taken to warn the Foreign Minister against such an unwarrantable proceeding.

The Porte well understands the views of Her Majesty's Government that the Tariff forms an integral part of the new Treaty, and cannot be put in force until the Treaty is signed; but it is not improbable that the Porte may nevertheless attempt to inforce the Tariff at no late date, and, in that eventuality, strong action may become necessary in order to maintain the position we have taken up on this question.

I have, &c.

(Signed) FRANCIS CLARE FORD.

No. 2.

The Earl of Rosebery to Sir Clare Ford.

(No. 3. Commercial.)

Sir, *Foreign Office, January* 18, 1893.

I HAVE received your despatch No. 2, Commercial, of the 2nd instant, on the question of the Turkish Tariff. I have to request your Excellency to continue to give your attention to this matter, and to report from time to time what you may hear on the subject. You should also consult with those of your colleagues who are willing to co-operate with you as to the best course to be taken to prevent any possible precipitate action on the part of the Porte in endeavouring to put their new Tariff in force.

I am, &c.

(Signed) ROSEBERY.

No. 3.

The Earl of Rosebery to Sir Clare Ford.

(No. 6. Commercial.)

Sir, *Foreign Office, February* 9, 1893.

I TRANSMIT to your Excellency herewith copies of correspondence in 1892 respecting commercial negotiations between Great Britain and Turkey, for your own use and that of the British Delegates, and for the archives of Her Majesty's Embassy.

I am, &c.

(Signed) ROSEBERY.

No. 4.

Sir Clare Ford to the Earl of Rosebery.—(Received March 3.)

(No. 27. Commercial.)

My Lord, *Constantinople, February* 27, 1893.

IN reply to your Lordship's despatch No. 3, Commercial, of the 18th ultimo, on the question of the new Turkish Tariff, I have the honour to inclose copy of a Memorandum drawn up by Mr. Block, from which your Lordship will perceive that there is no immediate danger of the new Tariff being enforced, and I have accordingly not deemed it necessary to consult my colleagues at this juncture on the subject of representations to the Porte.

I shall not fail, however, to keep your Lordship's instructions in view if I perceive any danger of precipitate action on the part of the Porte in endeavouring to put the new Tariff into force.

With reference to the concluding part of Mr. Block's Memorandum with regard to the "Règlement Douanier," I am addressing my colleagues with a view of bringing about a joint examination of the "Règlement" by the Delegates of the various Powers interested, with a view to securing unanimity on the subject among the Representatives of the negotiating Powers.

I have, &c.

(Signed) FRANCIS CLARE FORD.

Inclosure in No. 4.

Memorandum by Mr. Block.

Commercial Treaty.—New Tariff.

WITH reference to Lord Rosebery's No. 3, Commercial, of the 18th January, 1893, I beg to inform Her Majesty's Embassy that I have made inquiries as to the possibility of the new Tariff being put into force at an early date.

In the first place the Ottoman financial year commences on the 1st (13th) March,

and it is most unlikely that any other date will be fixed upon for inaugurating so completely novel a system of collection of duties, or for abolishing export and internal duties than the commencement of the financial year. Thus for this year there is not practically time to introduce the change, especially as the Turkish Government is bound by agreement with us to give two months' notice before certain British goods are subjected to the increased duties leviable under the new Tariff.

Secondly, the Turkish Government must, before enforcing the Tariff, build and prepare warehousing accommodation. Now in the capital a sum of 80,000 Turkish liras has been spent in building warehouses. These entrepôts, I am authoritatively informed, have been examined by a Technical Commission, and have been found unfit for the requirements of trade and unable to bear the weight of the merchandize they are destined to contain.

The Custom-house authorities are buying land at Smyrna for warehouses, but none are being built there as yet, and at Salonica no steps have been taken, as far as I can ascertain, to provide warehousing accommodation.

Thirdly, as the new Tariff provides that the duties are to be calculated by weight, it will be necessary to provide weighing apparatus for the Custom-houses throughout the whole Empire. I learn on this point that until the warehouses are ready, no weighing apparatus will be bought.

Fourthly, as the new Tariff is entirely different from the present system, it will be necessary for the employés to undergo a special training; new books will have to be kept, and the employés must be, to a certain extent at any rate, to avoid confusion and mistakes, specially conversant with the various articles and stuffs imported into the country with reference to their proper place in the categories of the new Tariff. A school of training was inaugurated at the central Custom-house some months back, but I hear that the work has been interrupted for some time.

Under these circumstances, I do not consider that there is any immediate probability of the Tariff being enforced.

While on this subject, I take the opportunity to mention that the Director-General of the Custom-house again pressed me to inform Her Majesty's Embassy that he was awaiting the visit of the English Commercial Delegates to discuss and, if necessary, modify the new "Règlement Douanier," as he had been instructed by the Grand Vizier to meet them for that purpose. I informed his Excellency that in accordance with your Excellency's instructions, I had informed the Under-Secretary for Foreign Affairs, who is also President of the "Commission des Traités," that if the Sublime Porte would give Her Majesty's Embassy a declaration that in case of divergency of views on any point in the unofficial discussion with the Director-General of Customs of the "Règlement," the divergent points would be discussed officially between the British and Ottoman Delegates at the Porte, in that case the British Delegates would be instructed to meet the Director-General of Customs, and I stated that Artin Pasha had given me no reply, nor to any other Dragoman of Her Majesty's Embassy.

His Excellency said that the Turkish Delegates for the commercial negotiations could not discuss a "Règlement Douanier;" they were not competent, and as for referring divergent points to the Porte, his Excellency would naturally report to the Grand Vizier the result of his discussions with the British Delegates, and the Grand Vizier would decide what steps must be next taken.

I said I would report his Excellency's desire to Her Majesty's Embassy, and I humbly submit that either it is necessary to meet his Excellency as proposed, or that some united action with foreign Embassies should be taken to submit to the Porte a suitable "Règlement."

I beg this Memorandum may be shown to Mr. Wrench for his observations.

February 20, 1893.

No. 5.

Sir Clare Ford to the Earl of Rosebery.—(Received April 28.)

(No. 46. Commercial.)

My Lord, *Constantinople, April* 18, 1893.

I HAVE the honour to inform your Lordship that at the request of the Ottoman Delegates a further meeting for the negotiation of the new Commercial Treaty was held at the Porte on the 5th instant.

I instructed Mr. Block to accompany Mr. Wrench, to render him assistance in the absence of Mr. Law.

From the Report these gentlemen have addressed me it appears that the Ottoman Delegates were instructed by the Council of Ministers to communicate to the British Delegates certain observations made by the Council on the Articles of the Treaty already signed *ad referendum*.

In a meeting lasting some hours Articles I to XVII inclusive were read over, and I propose to address to your Lordship a separate despatch on every Article calling for special remark, and I will here confine myself to stating that Articles I, V, VI, VII, VIII, XI, XII, XIII, XV, and XVII called for no observation on the part of the Council of Ministers, and may therefore be considered definitely approved as far as the Turkish Government is concerned.

Article IV was left over till next meeting, as the Turkish Delegates had some modifications to suggest which Messrs. Wrench and Block desired to consider.

The Articles then, which will be touched upon in my immediately following despatches of this date, will be II, III, IX (Declaration), X, XIV, and XVI.

I have, &c.
(Signed) FRANCIS CLARE FORD.

No. 6.

Sir Clare Ford to the Earl of Rosebery.—(*Received April* 28.)

(No. 47. Commercial.)
My Lord, *Constantinople, April* 18, 1893.

AT the meeting for the negotiation of the new Commercial Treaty on the 5th instant, the Turkish Delegates pointed out that no "préambule" has as yet been decided upon. Messrs. Wrench and Block stated that they saw no objection to a simple "préambule," such as had been adopted for the new Austrian and Russian Treaties; and after some deliberation, the inclosed "préambule" was drawn up and signed *ad referendum*.

If your Lordship approves of this "préambule," which appears to offer no objection, this point of small importance would appear to be settled.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure in No. 6.

Draft Preamble.

SA Majesté la Reine du Royaume-Uni de la Grande-Bretagne et d'Irlande, Impératrice des Indes, d'une part, et Sa Majesté l'Empereur des Ottomans, d'autre part, étant animés du désir de développer et de consolider par un Acte spécial les relations d'amitié, de commerce, et de navigation entre les deux pays, ont nommé pour leurs Plenipotentiaires, savoir:

Sa Majesté la Reine du Royaume-Uni de la Grande-Bretagne et d'Irlande, Impératrice des Indes,

Et Sa Majesté l'Empereur des Ottomans,

Lesquels, après s'être donné réciproquement communication de leurs pleins pouvoirs, trouvés en bonne et due forme, sont tombés d'accord sur les Articles suivants:—

(Signé) WILLIAM H. WRENCH.
ADAM BLOCK.
ARTIN DADIAN.
B. COUYOUMJIAN.

Constantinople, le 5 *Avril*, 1893.

No. 7.

Sir Clare Ford to the Earl of Rosebery.—(*Received April* 28.)

(No. 48. Commercial.)
My Lord, *Constantinople, April* 18, 1893.

AT the last meeting for the Commercial Treaty negotiations, Messrs. Wrench and Block, acting under my instructions, renewed the objections to the wording of the paragraph in Article II, which would seem to admit the right of the Porte and its provincial or municipal authorities to impose dues without the consent of Her Majesty's Embassy, as reported in my despatch No. 135, Commercial, of the 7th November last.

The British Delegates stated that I desired an assurance that such was not the intention of the Sublime Porte.

The Ottoman Delegates replied that it would not be possible to alter the clause in the Treaty in the sense now desired, but that they would be prepared to engage themselves to recommend to the Turkish Government that, before the signature of the Treaty, the Minister for Foreign Affairs should address a note to Her Majesty's Embassy, stating that naturally ("il va sans dire") no new taxes or imposts would be levied on British subjects or goods without the Porte demanding unofficially the consent of the British Government, in the same way as had been the practice hitherto.

A similar difficulty exists in Article III, *i.e.*, the contention of the Porte to establish octroi duties; and again, in Article XIV, we have to guard against the imposition of port, quay, dock dues on British shipping and goods without the consent of Her Majesty's Government.

Now, as with regard to Article II, so with regard to Article XIV, the Ottoman Delegates, whilst declining to modify the Article in the sense desired by Her Majesty's Government (see despatch No. 140, Commercial, to your Lordship), of the 7th November last, *i.e.*, to insert a clause to the effect that no new or increased dues should be levied on British shipping without the consent of Her Majesty's Government, stated that they are prepared to recommend that a note much in the sense of the one to accompany Article II should be addressed by the Porte to the Embassy.

Messrs. Wrench and Block consider that this mode of proceeding is the only possible way out of the difficulty recurring in the above-mentioned Articles II, III, and XIV.

The Ottoman Delegates produced a draft proposal made by the Austrian Delegates with a view to turn the difficulty with regard to octroi, and considering that the interests of all the negotiating Powers are identical on these questions, and that France has taken up the most determined attitude with regard to both municipal and octroi dues, Messrs. Wrench and Block have requested my permission to consult the French and other European Delegates now negotiating with the Porte with a view of arriving at a common understanding as to the terms of the note to be addressed by the Porte to the Powers.

As this suggestion falls in with the instructions of your Lordship in your No. 113, Commercial, of the 17th December, and No. 118, Commercial, of the 19th December, I have not hesitated to give the British Delegates the instructions they required.

I have, &c.
(Signed) FRANCIS CLARE FORD.

No. 8.

Sir Clare Ford to the Earl of Rosebery.—(*Received April* 28.)

(No. 49. Commercial.)
My Lord, *Constantinople, April* 18, 1893.

AT the meeting of the 5th instant for the negotiation of the new Commercial Treaty, the Ottoman Delegates pressed Messrs. Wrench and Block to sign *ad referendum* Article III ("surtaxes"), the British draft of which had been in their possession since August 1890.

The British Delegates stated that they were unable to agree to this unless they were assured that the question of "surtaxes" had been settled with all the other negotiating Powers.

It will be remembered that Her Majesty's Government is only interested in coal and coke being exempted from the "surtaxe," and that this point the Ottoman Delegates

are willing to concede, but they desire to insert in our Article the entire list of products, viz., wine, spirits, cigarette-paper, sugar, coffee, flour, animals, fuel, excepting coal and coke, playing-cards, fruit and vegetables, observing that if, as is probable, other Powers obtain any elimination from the list, Her Majesty's Government, by most-favoured-nation treatment, would also benefit.

Messrs. Wrench and Block replied that, according to our information, they had, in Articles already signed, ceded to Italy wines of superior quality, and fruit and vegetables; to Russia flour and animals, and to Austria, by Protocol, cigarette-paper and playing-cards, as well as, later on, in negotiation, sugar.

The British Delegates were therefore willing to insert in their Article all products not specially ceded, and to adopt the following wording: "Les spiritueux, les vins, à l'exception des vins fins, le café, les combusibles, à l'exception de la houille et du coke."

The Ottoman Delegates would not accept this proposal, observing that both Russia and Italy had inserted in their Articles the whole list of products excepting only such as had been conceded to each respectively; they also stated that they had not granted to Austria the exemption of sugar, but I am informed that the Austrians are under the impression that this point is settled in their favour.

Messrs. Wrench and Block informed their Ottoman colleagues that, should they wish it, they had no objection to initial the Article at once, provided the list of commodities liable to "surtaxe" be left in blank. To this the Ottoman Delegates agreed, and I have the honour to inclose herewith a copy of the Article as initialled.

If I am able to obtain a satisfactory assurance from the Porte that no "octroi" dues will be levied without the consent of Her Majesty's Government, I am of opinion that the Article III as it now stands may be signed *ad referendum*.

I would in that case instruct Messrs. Wrench and Block to name all the articles with the exception of coal and coke, on which the Sublime Porte reserves to itself the right to impose "surtaxes," as by the concessions to other Powers we should, under the most-favoured-nation clause, be exempted from "surtaxes" on wines of superior quality, fruit and vegetables, flour and animals, cigarette-paper, playing cards, and sugar.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure in No. 8.

Draft of Article III (provisoire à parapher).

AUCUN article de fabrication ou de provenance des États et possessions de Sa Majesté Britannique importé dans l'Empire Ottoman par les sujets Britanniques, Ottomans, ou étrangers, et aucun article produit du sol ou de l'industrie des pays étrangers jouissant du traitement de la nation la plus favorisée, importé par les sujets Britanniques ou par leurs ayant cause, ne seront soumis, qu'ils soient importés par mer sous pavillon Britannique ou autre, ou par terre, à aucun autre droit ou charge ni à des droits excédant ceux indiqués dans le Tarif ci-annexé qui fait partie intégrante du présent Traité.

Il est également entendu entre les Hautes Parties Contractantes que les articles susmentionnés bénéficieront de toute réduction de droits d'entrée qui pourrait être accordée pour des marchandises similaires importées par terre ou par mer par les sujets Ottomans ou étrangers jouissant du traitement de la nation la plus favorisée.

Le droit d'importation sera payable dans l'Empire Ottoman au moment où les marchandises, soit qu'elles arrivent par voie de terre, soit par voie de mer, quittent les dépôts ou enceintes de la Douane Ottomane.

Le payement des droits d'entrée se fera au choix de l'importateur en or, le medjidié d'or à 100 piastres, ou en medjidié d'argent au taux fixé et publié en temps utile par l'Administration des Contributions Indirectes chaque trimestre d'après le cours de la place de Constantinople.

En ce qui concerne la Sublime Porte se réserve le droit d'imposer en dehors des droits fixés dans le susdit Tarif des surtaxes ou taxes nouvelles qui dans aucun cas n'excéderont le minimum de celles qui pourraient être imposées à l'avenir aux produits similaires du sol ou de l'industrie de la Turquie.

(Initialled) W. H. W.
A. B.
A. D.
B. C.

No. 9.

Sir Clare Ford to the Earl of Rosebery.—(Received April 28.)

(No. 50. Commercial.)

My Lord, *Constantinople, April 18, 1893.*

AT the last meeting on the 5th April between the Turkish and British Delegates for the negotiation of the new Commercial Treaty the Turkish Delegates stated that the Council of Ministers had, while approving Article IX, desired that the 4th and 5th paragraphs of the Declaration attached thereto, concerning the charges on bonded goods, should be modified, and this in consequence of the objections of the Assistant Director of Customs.

Messrs. Wrench and Block reminded their colleagues that the Declarations in question had been drawn up in their presence with the aid and approval of the aforesaid Assistant-Director, and that his change of opinion added one farther proof of the necessity always urged for all questions affecting the Customs Department to be settled in an official manner with that Department.

I agree with Messrs. Wrench and Block in their observation, this Declaration being properly a part of the "Règlement Douanier," as to which I think it sufficient at this moment to inform your Lordship that I am awaiting the result of of the meetings held at my suggestion between Mr. Wrench and the European Delegates for the purpose of agreeing upon a "Règlement" suitable to all of us.

The discussion of the Declaration above mentioned will therefore be postponed until it has been decided definitely by myself after consultation with my colleagues how to treat with the Sublime Porte on the "Règlement Douanier" as a whole.

I have, &c.
(Signed) FRANCIS CLARE FORD.

No. 10.

Sir Clare Ford to the Earl of Rosebery.—(Received April 28.)

(No. 51. Commercial.)

My Lord, *Constantinople, April 18, 1893.*

MESSRS. WRENCH AND BLOCK report to me that at their last meeting with the Ottoman Delegates for the Commercial Treaty negotiations, the latter informed them that the Council of Ministers desired to alter paragraph 5 of Article X (customs immunities), and to substitute for the value of goods to be imported free of duty by Consular officials the amount of duty according to the new Tariff. A Consul-General, Consul, and Vice-Consul would thus be allowed free goods the value of which would not exceed 2,500 piastres, 2,000 piastres, and 1,000 piastres respectively.

There would seem to be no objection to so doing, but a larger question has been raised with regard to Article X, viz., that raised in my despatch No, 167, Commercial, of the 1st December, 1892, and referred to in your Lordship's reply No. 119, Commercial, of the 19th of the same month.

Messrs. Wrench and Block in their report to me state that, considering that they had lately introduced, with the approval of your Lordship, a new concluding paragraph to Article X, considering also that under the paragraphs of the Article, numbered 3 and 4, Messrs. Law and Wrench had secured important stipulations with regard to the provisions, notably of bunker-coal for British ships, they did not feel that the moment had come for proposing to omit the entire article from the Treaty, as suggested by your Lordship's despatch above mentioned.

They submit that the question of omitting this Article in whole or in part will be more satisfactorily settled later on. They state that there is no doubt that the continual changing of signed Articles at their demand has already been carried as far as the patience of the Ottoman Delegates will allow. These latter, they say, show unmistakable signs of being wearied or almost exasperated by the prolonged negotiations, and Messrs. Wrench and Block consider it as certain that the Ottoman Delegates would refuse to make any further changes that might be asked for in Articles signed *ad referendum*, unless they were assured that the prompt conclusion of the negotiations depended upon their adoption of the proposed question.

Messrs. Wrench and Block therefore submit that the question of proposing any change in Article X, or indeed in any other signed Article of the Treaty, should stand

over until the Treaty as a whole has been submitted to your Lordship, and when this stage has been reached the Porte might be informed that, with the exception of certain points with regard to which modifications must be made, the Treaty met with the approval of Her Majesty's Government.

The same observation applies to Article XVI ("cabotage"). The Ottoman Delegates stated that the Council of Ministers had disapproved of the *pro-memorid* annexed to this Article with regard to Lynch's Company, but Artin Pasha himself did not appear to attach much importance to the views of the Council of Ministers, and the matter rests there for the present; the Council of Ministers has also objected to paragraph 4 of the Article granting freedom of navigation to river ports more than 15 kilom. from the sea, but Messrs. Wrench and Block informed the Ottoman Delegates, who appeared to agree with them, that Article XVI, together with its two *pro-memorid*, formed one indivisible whole, and contained the only conditions on which any modifications of the views held as to the rights of Her Majesty's Government to coasting trade in Turkish waters could be entertained. Thus Article XVI remains as a matter of fact at present unchanged, since for the reasons given above Messrs. Wrench and Block did not feel that it was the right moment to introduce the questions raised in the Marquis of Salisbury's despatch No. 58, Commercial, of the 21st June, 1892, and they submit to me that the requirements of Her Majesty's Government should later on be made a *sine qud non* for the signature of the Treaty.

The despatch of the Marquis of Salisbury to Sir W. White, No. 130, Commercial, of the 29th October, 1890, would seem to contemplate that, if any observaiions are found to be necessary on the Articles settled *ad referendum*, it will be time enough when the draft Treaty is completed, and can be considered in its entirety, and it is for your Lordship to decide how far the view above expressed is to be adopted or not.

It is, as your Lordship will observe from this and my preceding despatch, evident that the Council of Ministers are disposed to revise several of the Articles signed *ad referendum* by the Ottoman Delegates, and it is, therefore, perhaps advisable to defer final decision on the several Articles till we are in a position to see what modifications the Ottoman Government desire to introduce.

I would in consequence submit, that it would be better, in the circumstances, to leave for the present Articles X and XVI as they stand.

I have, &c.
(Signed) FRANCIS CLARE FORD.

No. 11.

Sir Clare Ford to the Earl of Rosebery.—(Received April 28.)

(No. 52. Commercial.)
My Lord, *Constantinople, April 18, 1893.*

WITH reference to my preceding despatches, I would beg leave to inform your Lordship that both the Ottoman Delegates, at the meeting on the 5th instant, bitterly complained that by the delay in concluding the Treaty negotiations, the Ottoman Government were being deprived of a large increase in their revenue which they expected to obtain when the new Tariff was applied. The Ottoman Delegates further stated that if the negotiations continued to be unduly prolonged, the Porte would be under the necessity of putting into force the Tariff alone. I cannot but think that these were but empty threats, as, so far as I can learn, no preparations are being made towards the necessary arrangements for applying the Tariff as explained in my despatch No. 2 of the 3rd January; and, moreover, the Ottoman Government are bound to give at least two months' notice before doing so.

I have considered it best not to ask Mr. Law to return at this moment to Constantinople, as until the "Règlement Douanier" comes toward for serious discussion there is no immediate prospect of the negotiations being concluded.

I have, &c.
(Signed) FRANCIS CLARE FORD.

No. 12.

Sir Clare Ford to the Earl of Rosebery.—(Received April 28.)

(No. 56. Commercial.)
My Lord, *Constantinople, April 24, 1893.*

WITH reference to my despatches Nos. 46 to 52, inclusive, Commercial, I have the honour to state that a further meeting was held at the Porte on the 22nd instant.

Messrs. Wrench and Block inform me that the Ottoman Delegates continued the observations of the Council of Ministers on the Articles of the Treaty.

I am now in a position to give your Lordship a complete list, to supersede that given in my despatch No. 46 of Articles upon which no observations are made by the Council.

These are I, V, VI, VII, VIII, XI, XII, XIII, XV, XVII, XIX, XX, XXIX, and the Additional Article regarding the revision of the Tariff.

I have already addressed to your Lordship on II, III, IX (Declaration), X, XIV, and XVI, and I will in a few days communicate to your Lordship the observations of the Council of Ministers on Articles IV, XVIII, XXI, XXII, XXIII, XXIV, XXV, and XXVIII.

Articles XXVI and XXVII have not formed the subject of discussion.

As reported in my despatch No. 140 of the 7th November, 1892, approved of by your Lordship in your No. 118 of the 19th December, 1892, it is contemplated that the subjects to which Article XXVI refers (Egypt and Bulgaria) should be treated by the Ottoman Minister for Foreign Affairs and Her Majesty's Ambassador; and Mr. Wrench reported, in his Memorandum on Article XXVII (inclosure in my No. 31, Commercial, of the 6th April, 1892, print 6284, p. 25), that this Article XXVII (Ancient Treaties) was reserved for discussion between the late Sir W. White and the Porte, which course I also propose to follow, with your Lordship's approval.

I have, &c.
(Signed) FRANCIS CLARE FORD.

No. 13.

The Earl of Rosebery to Sir Clare Ford.

(No. 19. Commercial.)
Sir, *Foreign Office, May 2, 1893.*

I HAVE received your Excellency's despatches Nos. 46 to 52, Commercial, of the 18th ultimo, and No. 56, Commercial, of the 24th ultimo, reporting on the present position of the commercial negotiations now in progress with the Turkish Government.

In reply, I have to state that I concur generally in your views, as expressed in these despatches. I shall be glad to receive a copy, corrected to the present date, of the print of Articles of the proposed new Treaty, marked "corrected according to Sir William White's No. 34, Commercial, of the 13th March, 1891." The print of this document will be amended in conformity with the copy thus forwarded by your Excellency, and a supply of copies so revised will be forwarded to you.

As soon as the draft Treaty in a completed shape is submitted to Her Majesty's Government, it shall be considered without delay.

I am, &c.
(Signed) ROSEBERY.

No. 14.

Sir Clare Ford to the Earl of Rosebery.—(Received May 3.)

(No. 58. Commercial.)
My Lord, *Constantinople, April 27, 1893.*

IN continuation of my despatch No. 48, Commercial, on Articles II, III, and XIV, with regard to the contention of the Sublime Porte that they possess the right to levy municipal and octroi duties on British subjects and merchandize as well as to impose

new or increased dues on British shipping and goods for quay, port, dock, and light dues, I have the honour to report as follows.

I authorized the British Delegates to communicate with their French and other colleagues of the negotiating Powers with regard to the wording of the assurance to be given by the Porte that no such charges would be imposed without the previous consent of the foreign Embassies interested, and a Memorandum was drawn up by the foreign Delegates which I have the honour to inclose.

I authorized the British Delegates to communicate this Memorandum to the Ottoman Delegates, which they did at the last meeting of the commercial negotiations held at the Porte on the 22nd instant. Messrs. Wrench and Block explained to the Ottoman Delegates that this Memorandum was necessarily very precise in its terms, as it was deemed expedient that the Ottoman Delegates should perfectly understand what were the views of Her Majesty's Government, but that it was not necessarily an exact text of the proposed assurance, whether such assurance took the form of a note or a declaration.

The Ottoman Delegates stated that they were not prepared to do anything more than to recommend to the Porte to address a note to the Embassy in the sense of the Austrian draft, herewith inclosed, which would affect municipal and octroi duties only, and would in no way apply to the dues to be levied under Article XIV.

On this point they maintain their views as expressed in Inclosure 2 to my despatch of the 20th June last, No. 65, Commercial (Print 6248, p. 33).

They were willing, however, to submit again the demands of Her Majesty's Government on the three questions to the Council of Ministers, although they did not hold out the slightest hope that the Porte would modify its views.

As the French Embassy has made a very strong stand upon these points, I propose for the present to await the result of the French negotiations.

I have, &c.

(Signed) FRANCIS CLARE FORD.

Inclosure 1 in No. 14.

Memorandum.

QUANT à la mise en vigueur des Articles II, III, et XIV du présent Traité, relatifs aux charges générales ou locales, taxes, et impositions, de quelque nature qu'elles soient, droits de tonnage, de quai, de docks, ou tous autres droits analogues, auxquels pourraient être soumis les sujets, les bâtiments ou les productions du sol et de l'industrie de la Grande-Bretagne, la Sublime Porte prend l'engagement de n'y autoriser l'application qu'après entente avec le Gouvernement de Sa Majesté Britannique.

En conséquence, il est bien entendu entre les Hautes Parties Contractantes qu'aucune taxe autre que celles fixées dans le Tarif qui fait partie intégrante du présent Traité, aucune charge ou imposition quelconque, de quelque nature ou de quelque dénomination qu'elles soient, édictées par le Gouvernement, la Préfecture, ou toutes autres autorités de la métropole ou des provinces, destinées à être perçues au profit du Gouvernement, des Municipalités, de particuliers, d'associations, ou d'institutions de toute sorte, officielles ou privées, ne seront, dans aucune circonstance et sous aucun prétexte, exigées des sujets, bâtiments et productions du sol et de l'industrie de la Grande-Bretagne sans que le Gouvernement de la Reine, consulté sur l'établissement d'une de ces taxes ou impositions, y ait donné son entière et définitive adhésion.

Inclosure 2 in No. 14.

Declaration by the Austro-Hungarian Delegates.

NOUS acceptons le texte proposé par la Sublime Porte pour l'Article VI* (ancien V), alinéa 2. Toutefois nous entendons que notre renonciation à notre Contre-Projet ne puisse être interprétée comme une adhésion de notre part à la perception d'une manière générale de droits d'octroi ou d'autres taxes de cette nature non prévues dans le Tarif, attendu que nous interprétons les mots "aucun droit" contenus dans l'alinéa susvisé comme excluant la perception de taxes pareilles.

Toutefois, pour ce qui concerne le cas d'une entente éventuelle entre les deux Parties Contractantes relativement à l'introduction d'un droit d'octroi en Turquie sur tel article ou tel autre, il va de soi que toute stipulation internationale pouvant être modifiée d'un commun accord et, de plus, la perception de surtaxes sur quelques articles et dans certaines localités de l'Empire Ottoman ayant été consentie par le Gouvernement Impérial et Royal sous le régime même du Traité de 1862, rien ne paraît s'opposer dans la question des octrois comme dans toute autre matière contenue dans le Traité à ce qu'une entente puisse s'établir, après la mise en vigueur même du futur Traité entre les deux Parties, dans le sens d'une concession qui serait demandée par la Sublime Porte et qui se recommanderait à l'acception du Gouvernement Impérial et Royal par des intérêts dignes d'être pris en considération.

No. 15.

Sir Clare Ford to the Earl of Rosebery.—(*Received May* 3.)

(No. 59. Commercial.)

My Lord, *Constantinople, April* 27, 1893.

AT the meeting for the negotiations of the new Commercial Treaty, the Ottoman Delegates stated that the Council of Ministers desired to alter Article IV, already signed *ad referendum*, and to substitute for it the Austrian Article herewith inclosed.

The difference between the two Articles may be briefly described as follows:—

In the 2nd paragraph of our Article we allow the Turkish Customs authorities to demand a receipt for the payment of the dime before permitting an article of native product to be taken from the place of its production, whereas under the Austrian Article this control is to be exercised at the port of shipment.

The British Delegates observed that, at the time of signing our Article, the question had been already discussed and settled with the Italian Delegates, whose Article had been adopted, and they opposed any further modification, as it could not be admitted that British export merchants should be held liable for the collection of taxes devolving on Ottoman producers, which taxes should properly be levied by the provincial authorities in the interior of the country.

Bedros Effendi explained that he was now sitting on a Commission which was drawing up a scheme for the proper collection and control of these taxes; he assured the British Delegates that when this scheme was submitted to them, they would be the first to admit that its provisions amply safeguarded the interests of the British exporter.

The further discussion of this question is therefore postponed until the scheme in question shall have been submitted to Her Majesty's Embassy.

I have, &c.

(Signed) FRANCIS CLARE FORD.

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* Voici ce texte:—

La Sublime Porte s'engage en outre à ne soumettre les articles de fabrication ou de provenance Austro-Hongroise importés dans l'Empire Ottoman [*à aucun autre droit* ni à des droits excédant ceux indiqués dans le Tarif ci-annexé et qui fait partie intégrante du présent Traité.]

Contre-Projet (*Autriche-Hongrie*).

à des droits excédant ceux indiqués dans le Tarif ci-annexé, et qui fait partie intégrante du présent Traité, *ni à aucun droit ou charge sous quelque dénomination et au profit de qui que ce soit.*

Inclosure in No. 15.

Turco-Austro-Hungarian Draft of Article V (formerly IV).

TOUTEFOIS, avant de permettre l'exportation d'un article assujetti à la dîme ou à toute autre taxe ou charge analogue payable par le producteur, les autorités Douanières de l'Empire Ottoman auront le droit d'exiger de l'exportateur la preuve que les charges ou taxes en question ont été acquittées. Les articles pour lesquels cette preuve devra être fournie, seront désignés dans des Ordonnances officielles qui devront être publiées six mois avant leur mise en vigueur.

No. 16.

Sir Clare Ford to the Earl of Rosebery.—(Received May 3.)

(No. 60. Commercial.)
Constantinople, April 27, 1893.

My Lord,

AT the meeting of the 22nd instant, the Ottoman Delegates stated that the Council of Ministers desired to retain the words "pendant la durée du présent Traité" in Article XVIII of the Commercial Treaty.

They admitted that at the meeting of the 9th June, 1892, as reported in Inclosure No. 1 to my despatch No. 65, Commercial, of the 20th June, 1892, they had consented to the elimination of these words, but they explained that the Council of Ministers insisted on their retention, in view of a demand lately made by Russia to the effect that, their Treaty of 1861 having expired, the right of the Porte to the monopoly of tobacco expired with it.

The Russian argument is evidently that, on the expiration of the Treaty of 1861, the Porte reverts to its previous engagement in Article VIII of the Treaty of Baltaliman of 1846, to the effect that no monopoly shall exist in the Ottoman Empire on agricultural or any other products.

The British Delegates maintained that the words had already been eliminated, and the fact reported to Her Majesty's Government, and that the question could not be reopened, whereupon their Ottoman colleagues said they would communicate these observations to the Council of Ministers.

The Ottoman Delegates then stated that the Council of Ministers, at the suggestion of the Customs Department, objected also to the last paragraph of the Declaration annexed to Article XVIII, which stipulates that the warehousing of coal is to remain free from monopoly, as in the past.

Messrs. Wrench and Block explained the whole question of the coal trade at Constantinople, and the Ottoman Delegates finally expressed the opinion that the opposition of the Council was founded on a misapprehension, and pledged themselves to represent to the Council that, in the interests of the Ottoman Government, the Declaration must stand as it is.

I have, &c.
(Signed) FRANCIS CLARE FORD.

No. 17.

Sir Clare Ford to the Earl of Rosebery.—(Received May 3.)

(No. 61. Commercial.)
Constantinople, April 27, 1893.

My Lord,

AT the last meeting of the Treaty Delegates on the 22nd instant, the Ottoman Delegates said that it was the wish of the Council of Ministers that Articles XXI–XXV, inclusive (Custom-house formalities) should be abbreviated, and the wording be assimilated to that already signed with the French and Russian Delegates, as the subject-matter of these Articles properly belonged to the "Règlement Douanier."

Messrs. Wrench and Block, having my authority, informed their colleagues that until the "Règlement Douanier" was amended to suit our views they would not discuss these Articles of the Treaty.

Messrs. Wrench and Block went on to say that the European Delegates interested were studying the "Règlement" with a view to its amendment, as mentioned in my despatch

No. 27 of the 27th February, and would be prepared shortly to discuss it in a body with the Custom-house officials.

The Ottoman Delegates raised no objection to this mode of proceeding, of which they seemed already cognizant, and stated that, after consultation with the Council of Ministers, they would be in a position to propose a mode of discussing the "Règlement," which they trusted would meet with the approval of the foreign Delegates.

This question, therefore, I submit, has made a distinct advance, and I will report further to your Lordship when the Porte formulates its proposals.

I have, &c.
(Signed) FRANCIS CLARE FORD.

No. 18.

Sir Clare Ford to the Earl of Rosebery.—(Received May 3.)

(No. 62. Commercial.)
My Lord, *Constantinople, April 27, 1893.*

WITH reference to Article XXVIII (Colonies) of the new Commercial Treaty, the only remark which the Ottoman Delegates made at the last meeting on the 22nd instant, as coming from the Council of Ministers, was to the effect that, until the Colonies enumerated in the Article had given in their adhesion to the Treaty, the Porte reserved to itself the right to apply to them such treatment as might be to the interest of the Ottoman Government.

I have, &c.
(Signed) FRANCIS CLARE FORD.

No. 19.

The Earl of Rosebery to Sir Clare Ford.

(No. 22. Commercial.)
Sir, *Foreign Office, May 9, 1893.*

I HAVE received your Excellency's despatches Nos. 58 to 62, Confidential, of the 27th ultimo on the subject of the commercial negotiations with the Porte.

It does not appear to be necessary on these papers to add to or modify the instructions contained in my despatch No. 19, Commercial, of the 2nd instant.

I am, &c.
(Signed) ROSEBERY.

No. 20.

Sir Clare Ford to the Earl of Rosebery.—(Received May 26.)

(No. 68. Commercial.)
My Lord, *Constantinople, May 17, 1893.*

IN accordance with your Lordship's instructions conveyed to me in your despatch No. 19, Commercial, of the 2nd instant, I have the honour to inclose herewith a copy, corrected to the present daté, of the print of Articles of the proposed new Treaty.

This copy has been made by Messrs. Wrench and Block, who have added marginal and foot notes, which might also appear in the amended print. These notes give explanations where required, and show at a glance the exact position of the negotiations on each Article.*

I have, &c.
(Signed) FRANCIS CLARE FORD.

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* Inclosure printed separately.

No. 21.

Sir Clare Ford to the Earl of Rosebery.—(*Received June* 9.)

(No. 76. Commercial.)

Constantinople, June 4, 1893.

My Lord,

I HAVE the honour to inclose herein copies of Memoranda showing the present position of the commercial negotiations pending between the Sublime Porte and the Great Powers.

The state of the Russian negotiations is not referred to in the Memorandum, as, owing to the Russian Delegate being unwell, it has not been found possible to obtain the required information.

I believe, however, that no material advance has been made in the matter by the Russian Delegate since the month of June of last year.

In any case, the Russian Delegate has joined the Delegates of other foreign Powers in drawing up a counter-draft relating to Custom-house formalities ("Règlement Douanier"), the settlement of which has to be arranged before their (the Russian) new Treaty can be concluded. If, however, I can obtain anything worthy of notice, I shall not fail to communicate it to your Lordship.

I have, &c.

(Signed) FRANCIS CLARE FORD.

Inclosure 1 in No. 21.

Memorandum on present Position of Austrian Commercial Negotiations.

SINCE the Memoranda inclosed in Sir Clare Ford's No. 66, Commercial, of the 23rd June, 1892, were written, Austria has made little or no progress in her negotiations.

The question of the "ancient Treaties" remains *in statu quo*. That of "surtaxe" on sugar has been further discussed with the Turkish Delegates; but while the Austrian Delegates thought they had at length gained the exemption of sugar from the "surtaxe," the Ottoman Delegates do not consider the concession as granted. The question of the exemption of cigarette-paper from monopoly has again been brought forward with a view to a compromise, but the matter still remains in suspense. The Ottoman Delegates have not admitted the Austrian contention to the effect that octroi duties can only be imposed with the consent of the Embassy.

The Austrian Articles concerning Customs formalities remain as they were, and their Delegates have joined the English, French, Italian, and Russian in revising the Ottoman "Règlement Douanier." This revision is progressing but slowly, owing to the difficulty of forming rules for a service with which the Delegates are not thoroughly familiar, and of conciliating the interests of all the European Powers with the just requirements of the Customs Administration.

Inclosure 2 in No. 21.

Memorandum on present Position of French Negotiations.

SINCE June last the French Delegate has further discussed with his Ottoman colleagues the question of the taxation of foreigners engaged in the internal trade of Turkey, including the imposition of octroi and other municipal dues, without, however, making any progress. He has informed his colleagues that it is for them to propose a way out of the difficulty, a view which they do not appear disposed to adopt.

M. Gazay has signed a Railway Article on the same lines as our Article 17; he has not again raised any question as to freedom of depôt; but with regard to the introduction of European gold coin into Turkey, the Turkish Delegates raised no objection.

The duration of the French Treaty has been fixed at twenty-one years.

The French Foreign Office has not approved the paragraph of the Article 1 concerning the ancient Treaties, which M. Gazay has signed *ad referendum*. This paragraph is as follows:—

"Les anciens Traités intervenus entre la France et la Turquie, notamment ceux du 25 Juin, 1802, et du 25 Novembre, 1838, sont confirmés, à l'exception des clauses qui auront été modifiées par le présent Taité."

M. Gazay has been instructed to draft a new Article stipulating that the French Treaties quoted shall revive in their entirety at the expiration of the new Treaty.

The French are therefore at the same deadlock as ourselves with respect to the ancient Treaty Article.

Inclosure 3 in No. 21.

Memorandum on present Condition of Italian Negotiations.

IN June 1892 the Italian negotiators had four questions pending, namely:—

1. *The Preamble.*—In this nothing has been done, and the clause alluded to in the Memorandum inclosed in No. 66, Commercial, of the 23rd June, 1892, has not yet been drafted.

2. *Surtaxes.*—The Porte has conceded to Italy the exemption of "Vins, à l'exception des vins fins," and of fruit and vegetables, from "surtaxes."

3. *Railways.*—An Article has been signed stipulating for most-favoured-nation treatment as regards Italian goods on Ottoman railways.

4. *Freedom from Duty of Articles for Hospitals and Schools.*—A Declaration has been signed under which the Porte grants, as a favour to schools founded and patronized by the Italian Government, freedom from customs duty for articles such as stationery, text-books, &c., up to a limit of 20,000 piastres per annum, and to the Italian Hospital at Constantinople for articles to a limit of 10,000 piastres per annum.

No. 22.

*The Earl of Rosebery to the Marquis of Dufferin.**

(No. 94. Commercial.)

Foreign Office, June 16, 1893.

My Lord,

I TRANSMIT herewith, for your Excellency's information, copies of Memoranda which I have received from Sir Clare Ford respecting the present position of the commercial negotiations between Turkey, France, Austria-Hungary, and Italy.†

I shall be glad to receive in due course any observations which you may have to offer on the subject.

I am, &c.

(Signed) ROSEBERY.

No. 23.

The Earl of Rosebery to Sir Clare Ford.

(No. 32. Commercial.)

Foreign Office, June 16, 1893.

Sir,

I HAVE to acknowledge the receipt of your Excellency's despatch No. 76, Commercial, of the 4th instant, reporting on the present position of the commercial negotiations between Turkey and France, Austria-Hungary, and Italy.

I shall be glad to learn whether, and to what extent, British hospitals and other institutions will participate in the advantages mentioned in the Memorandum which accompanies your Excellency's despatch as having been accorded to Italy.

I am, &c.

(Signed) ROSEBERY.

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* Also to Sir A. Paget (No. 25, Commercial), and Mr. Edwardes (No. 22, Commercial).

† Inclosures in No. 21.

No. 24.

Foreign Office to Sir Clare Ford.

(Commercial.)

SIR EDWARD GREY presents his compliments to Sir Clare Ford, and is directed by the Earl of Rosebery to transmit to his Excellency herewith, for examination and correction if necessary, copies of the revise of Articles in the proposed new Commercial Treaty with Turkey, corrected according to the inclosure (also herewith returned) in Sir Clare Ford's No. 68, Commercial, of the 17th ultimo.

Sir Edward Grey requests that the brief foot-notes, such as that to Article 4, may be enlarged, so as to afford explanations on the present state of the subject-matter of each Article, instead of making it necessary, when the time arrives for dealing with these questions, to refer to voluminous previous papers.

Foreign Office, June 16, 1893.

No. 25.

Sir A. Paget to the Earl of Rosebery.—(Received June 23.)

(No. 45. Commercial.)

Vienna, June 21, 1893.

My Lord,

WITH reference to your Lordship's despatch No. 26, Commercial, of the 16th instant, I have the honour to state that my information from the Foreign Office here practically corroborates what is stated in Sir Clare Ford's Memorandum respecting the commercial negotiations between this country and the Porte.

Those negotiations are for the present *in statu quo*, though it is believed that the difficulty in regard to the surtaxe on sugar will be got over. The question of the octroi duties would not, I understand, raise much objection if it were certain that they would be confined to articles of consumption, but the fear is lest they should be extended to other miscellaneous goods, were the point conceded of submitting to their imposition irrespective of the consent of the Embassy.

I have, &c.

(Signed) A. PAGET.

No. 26.

Mr. Edwardes to the Earl of Rosebery.—(Received June 28.)

(No. 111. Commercial. Confidential.)

Rome, June 22, 1893.

My Lord,

WITH reference to your Lordship's despatch No. 22, Commercial, of the 16th instant, I have the honour to report that I took an opportunity yesterday to speak with M. Malvano, Secretary-General of the Ministry for Foreign Affairs, on the subject of the commercial negotiations between Turkey and Italy.

M. Malvano told me that the progress made in these negotiations was very slow, that M. Collobiano, the Italian Ambassador at Constantinople, who was shortly returning to his post, was provided with further instructions with reference to them, and that they would be continued whenever an opportunity presented itself, although he did not think that any definitive result could be arrived at for some time.

I referred to the points set forth in the Memorandum inclosed in your Lordship's despatch, but M. Malvano was either unable or unwilling to give any detailed information in connection with them. He assured me, however, that M. Collobiano was instructed to proceed in entire concert with his colleagues at Constantinople in the negotiations he might carry on, adding that, consequently, Her Majesty's Embassy at that capital would probably receive detailed information as to any progress made before the same could reach the Italian Government.

M. Malvano's remarks left me under the impression that, inasmuch as the present system, although somewhat antiquated, worked well and to the advantage of the Italian merchants, he considered that the conclusion of any new arrangements with the Porte, which would be more in accordance with the spirit of the time, would not lead to any very material improvement.

I have, &c.

(Signed) H. G. EDWARDES.

No. 27.

Sir A. Nicolson to the Earl of Rosebery.—(Received July 14.)

(No. 91. Commercial.)

My Lord,

Therapia, July 10, 1893.

WITH reference to your Lordship's despatch No. 32, Commercial, of the 10th ultimo, I have the honour to transmit a Memorandum from Mr. Wrench in regard to Customs immunities for hospitals and other institutions.

The question of allowing in, free of duty, the last consignment of medicines for the dispensary at Bagdad, has not yet been settled, but I will press for a satisfactory solution without having much hope of obtaining one.

So far as I can learn, no complaints have been received from Smyrna with respect to the entry of medicines for the hospital there.

I beg leave to inclose copy of a note which was addressed to the Sublime Porte on the 23rd May of this year in regard to the admission of medicines for the Bagdad dispensary, and which does not appear to have been forwarded to your Lordship.

I have, &c.

(Signed) A. NICOLSON.

Inclosure 1 in No. 27.

Memorandum.

WITH reference to Sir E. Grey's despatch of the 16th June, British hospitals and other institutions in Turkey are not affected by any signed Article or Declaration of our new Commercial Treaty. Their position with regard to the free import of necessaries remains therefore unchanged, except in so far as most-favoured-nation treatment can, *cæteris paribus*, be claimed under the Italian Declaration, of which copy is herewith inclosed.

I may here mention that the schools and the hospital alluded to in this Declaration belong to the Italian Government, and that Italian subjects who cannot afford to pay are admitted free of charge; consequently, they have passed as charitable institutions.

As regards the British Seamen's Hospital at Constantinople, the only British hospital in Turkey respecting which I can speak with certainty, the present position has been established by usage rather than by right derived from any specific document. The free entry of all medicines and appliances was ungrudgingly accorded until some ten years ago, when the Porte first began to place restrictions on all privileged usages enjoyed by Europeans.

Since then difficulties have occurred with the Custom-house on the arrival of almost every consignment. On each occasion, however, the medicines, &c., have been cleared without payment of import duty, although the cases were opened and prohibited medicines removed. Such is now the position with regard to the British Seamen's Hospital at Constantinople. Whether those at Smyrna and Bagdad are in similar case will be better known at the Embassy than to me, considering that the correspondence respecting these hospitals is addressed to the Ambassador.

The only Regulation with regard to immunity from import duty to be enjoyed by hospitals and schools and churches is to be found in "Aristarchi," vol. iii, p. 399. It is entitled, "Immunités douanières accordées à tous les couvents et aux établissements de bienfaisance appartenant aux communautés et ordres religieux indigènes et étrangers." It will be seen from the opening paragraph that the Porte, desirous of continuing ancient privileges to the various religious communities of the Empire, orders that immunity from customs duty should be granted to the staff of each community of monks and nuns, and to the charitable institutions under their directions, such as schools, hospitals, dispensaries, orphanages, &c. The Regulation from beginning to end speaks of convents, religious bodies, and charitable institutions, and there can be no doubt that it was never the intention to extend the privileges accorded to these institutions to others that were neither of a religious nor a charitable character.

Under this Regulation, our churches and schools will continue to benefit so long as the Regulation remains in force, but British hospitals cannot be included in its provisions.

It appeared to Mr. Law and myself that we had no grounds for proposing that our hospitals should be allowed to import free of duty, and that were such a proposal made, it would, by calling attention to the fact that they were now in enjoyment of the privilege, hasten its withdrawal. We considered it would be better to leave the question undisturbed, so that Her Majesty's Government, later on, might claim most-favoured-nation treatment should it feel so disposed, and should the Treaties with other nations authorize such a demand.

(Signed) WM. H. WRENCH.

Constantinople, July 7, 1893.

Inclosure 2 in No. 27.

Declaration.

LA Sublime Porte, dans ses sentiments de bienveillance, consent à accorder la franchise douanière pour les objets destinés aux écoles fondées et patronnées par le Gouvernement Italien en Turquie et consistant en matériel scolaire, tels que livres d'enseignement, papier, cahiers, plumes, crayons, encre, cartes et globes géographiques, appareils de physique et de chimie et autres envois de matériel scolaire, ainsi que pour les articles destinés à l'usage de l'hôpital Italien à Constantinople, à la condition que la limite de la franchise pour les écoles Italiennes en Turquie ne dépasse pas 20,000 piastres, et celle pour l'hôpital, n'excède pas 10,000 piastres de droit d'importation par an.

Il en sera de même pour les fonctionnaires de carrière attachés à l'Ambassade et au Consulat-Général Italien à Constantinople jusqu'à concurrence de 3,000 piastres pour le Conseiller, de 1,500 piastres pour les Premiers Drogmans, Secrétaires, et Vice-Consuls, et de 1,000 piastres pour les autres fonctionnaires par an et par personne.

Inclosure 3 in No. 27.

Sir Clare Ford to Said Pasha.

Constantinople, May 23, 1893.

M. le Ministre,

IN 1890 the Sublime Porte, as in former years, invited the "Administration Générale des Contribution Indirectes" to allow the medicines for the use of the dispensary attached to the British Consulate-General at Bagdad to pass free of duty.

In a *note verbale*, dated the 9th August, 1890, the Sublime Porte saw fit to add that in order to grant this privilege in the future, it was necessary to come to an understanding beforehand with the Embassy as to the quantity of drugs considered necessary for the annual wants of the dispensary.

Although the Embassy complied with this arrangement, the Sublime Porte, in a *note verbale* of the 26th November, 1892, withdrew the privilege enjoyed for several years by this charitable institution, and gave as a reason that such establishments, if in receipt of subvention from their Governments, could not enjoy such privileges.

Sick persons of all nationalities, without exception, are received and treated gratuitously by this dispensary, and during epidemics considerable services are rendered by it to the public.

Under these circumstances, the dispensary can only be looked upon as a benevolent and charitable institution on the same footing as the foreign hospitals existing in the country.

I learn that the foreign hospitals of this class in Constantinople enjoy customs immunities for the medicines and various articles required by them, and I would now request your Excellency to be so good as to grant the same favour to the British dispensary in question, and I have therefore the honour to transmit herewith the list of medicines required for the current year, which will, of course, be examined and verified by the Custom-house officials.

I avail, &c.

(Signed) FRANCIS CLARE FORD.

No. 28.

The Earl of Rosebery to Sir A. Nicolson.

(No. 39. Commercial.)

Sir, *Foreign Office, July* 21, 1893.

I HAVE received your despatch No. 91, Commercial, of the 10th instant, inclosing a Memorandum by Mr. Wrench respecting the question of immunity from customs duties in Turkey of medicines for hospitals and other institutions.

I have to acquaint you, in reply, that I concur in the view taken by Mr. Wrench and Mr. Law, that it would be unadvisable to attempt to assert a right to the free admission of medicines intended for the use of patients in British hospitals in the Ottoman dominions, as there is no clause in the Capitulations to which Her Majesty's Government could appeal to support such a claim, except the 18th, which confers upon British subjects general most-favoured-nation treatment.

As, however, doubts may hereafter be raised as to whether this clause, or a special arrangement with Italy for the admission of medicines to a limited extent, duty free, for the use of the Italian hospital at Constantinople, would give a right to Great Britain to demand that medicines, to the same limited extent, should be admitted free of duty to the British hospital at Constantinople, as well as to other British hospitals in Turkey (such as those at Smyrna and Bagdad), care should be taken before finally signing the most-favoured-nation Article in a new Commercial Treaty with Turkey to insert some word or words which would embrace such a case as this, and place the matter beyond doubt.

I am, &c.

(Signed) ROSEBERY.

No. 29.

Sir A. Nicolson to the Earl of Rosebery.—(*Received August* 18.)

(No. 115. Commercial.)

My Lord, *Therapia, August* 9, 1893.

I HAVE the honour to transmit to your Lordship copy of a note which I have received from the Minister for Foreign Affairs, requesting the resumption of negotiations on the Commercial Treaty.

Your Lordship will observe that Saïd Pasha contends that the stipulations of the Treaty and the terms of the Declaration made by the Sublime Porte will prove a sufficient guarantee for the due adaptation of the new "Règlement Douanier" to the Treaty, and therefore requests the resumption of the negotiations as regards those few Articles of the Treaty which are still in suspense. On this point, I would beg leave to refer your Lordship to Sir Clare Ford's despatch No. 138, Commercial, of the 7th November, 1892 (p. 41 of Confidential Print No. 6284), in which the importance of a preliminary accord with the other negotiating Powers on a "Règlement Douanier" is very clearly set forth. The Commercial Delegates of the several foreign Embassies have made considerable progress towards elaborating a "Règlement Douanier," which will, when completed, have to be put forward by the negotiating Powers as a counter-project to the one drawn up by the Ottoman Government, and which was considered unacceptable.

It would be of no avail to continue, at present, serious negotiations on the Treaty itself, as there are several Articles, such as Nos. XXI, XXII, XXIII, XXIV, and XXV, and the Declaration attached to Article IX, which cannot be definitely settled until an agreement has been arrived at on the "Règlement Douanier."

I would, therefore, submit to your Lordship that Saïd Pasha should be informed that there are certain points in regard to some Articles on which the views of Her Majesty's Government have been more than once communicated to the Ottoman Delegates, and that Her Majesty's Embassy would be glad to know whether the Sublime Porte has taken into consideration these views of Her Majesty's Government, and whether it has, in consequence, addressed any fresh instructions to its Delegates. On these points, I would beg leave to refer your Lordship to Sir Clare Ford's despatches No. 21 of the 24th March, 1892, and No. 33 of the 8th April, 1892 (pp. 6 and 26, Confidential Print No. 6284)

It might also be observed to Saïd Pasha that it is essential that an agreement should be arrived at in respect to the "Règlement Douanier" before some Articles of the Treaty can be determined.

I have, &c.
(Signed) A. NICOLSON.

Inclosure in No. 29.

Saïd Pasha to Sir A. Nicolson.

M. le Chargé d'Affaires, *Le* 31 *Juillet*, 1893.

PAR une note en date du 3 Décembre, 1891, l'Ambassade de Sa Majesté Britannique faisait observer à la Sublime Porte que le Règlement Douanier qui doit être appliqué en même temps que les nouveaux Traités de Commerce conférait aux autorités douanières vis-à-vis des sujets Anglais certains pouvoirs qui ne pourraient leur être reconnus qu'après un accord entre les deux Gouvernements. Sur les explications que le Ministère Impérial n'avait pas manqué de lui donner pour sa réponse du 23 Janvier, 1892, l'Ambassade de Sa Majesté Britannique avait bien voulu plus tard autoriser ses Délégués à continuer les négociations du Traité. En reprenant l'examen des Articles du Traité relatifs aux formalités douanières, MM. les Délégués Anglais avaient manifesté le désir de présenter simultanément, à titre officieux, leurs observations au sujet du Règlement Douanier.

Me référant aux considérations développées dans ma note précitée du 23 Janvier, 1892, je crois devoir ici réitérer les assurances fournies à l'Ambassade et d'après lesquelles le Règlement que l'Administration des Contributions Indirectes a dû préparer en vue du régime devant résulter des nouveaux Traités de Commerce, ne pourrait, en aucun cas, porter atteinte aux droits des sujets Britanniques, les dispositions du Traité et la déclaration communiquée par note à l'Ambassade accordant toute garantie à cet égard. Il serait par conséquent prématuré de s'occuper dès aujourd'hui de ce Règlement, dont l'adaptation aux nouveaux Traités, s'imposera d'elle-même après leur conclusion définitive.

Il est donc urgent d'achever le plus tôt possible la discussion des quelques Articles du Traité restés encore en suspens afin de mettre un terme à la situation si onéreuse qui est créée au Gouvernement Impérial par suite de l'état transitoire actuel qui a été prolongé au delà de toute attente au détriment des intérêts du fisc Ottoman.

Agréez, &c.
(Signé) SAÏD.

No. 30.

The Earl of Rosebery to Sir A. Nicolson.

(No. 53. Commercial.)

Sir, *Foreign Office, August* 28, 1893.

I HAVE to acknowledge the receipt of your despatch No. 115, Commercial, of the 9th instant, respecting the commercial negotiations with the Porte.

In reply, I have to authorize you to proceed in this matter in the manner which you suggest in that despatch.

I am, &c.
(Signed) ROSEBERY.

No. 31.

Mr. Fane to the Earl of Rosebery.—(Received September 19.)

(No. 34. Commercial. Confidential.)

My Lord, *Belgrade, September* 13, 1893.

M. TIMIRIASEFF, who is Russian Delegate for the Commercial Treaty negotiations with Turkey, but who for several months past has been employed by his

Government at Belgrade in negotiating a Treaty of Commerce and Navigation with Servia, has, in consequence of a telegraphic order to that effect, returned to Constantinople.

Before starting, M. Timiriaseff came to take leave of me, and expressed some surprise at having been summoned to Constantinople, saying that he had been under the belief that the final conclusion of the Treaty with Turkey presented no longer any difficulty such as could require his presence. There were three concessions demanded by his Government respecting which the Porte had declined for a long time to yield, but his impression was that the two Governments had now come to an understanding on the points which had been in debate. The three demands referred to by him as having been put forward by the Russian Government were:—

1. The acceptance by the Porte of a special Article prohibiting differential treatment, under any guise, of Russian goods transported over Turkish railways.

2. The insertion of a provision for acceptance of the silver Medjidié currency in payment of customs duties, this facility being desirable in the interest of the Russian pilgrims to Jerusalem.

3. The admission of Russia's right to the passage of war material and troops through the Straits.

As regards this point, M. Timiriaseff mentioned—as I understood him—that the Porte had at first demanded that there should be inserted in the Treaty itself an Article laying down that war material or troops could not be transported on Russian merchant-vessels to or from the Black Sea through the Straits without the previous acquiescence, in each case, of the Turkish Government, but that the Russian Government had resisted this demand on the ground that no European Treaty prohibited the passage through the Straits, from one Russian port to another, of war material or men carried on board merchantmen, and intended for the reinforcement of their military stations in the North Pacific or elsewhere. The Russian Government, although unable to admit that any restriction on the free passage of their merchant-vessels (carrying whatever cargo or passengers) could be properly inserted in the Treaty itself, had, however, consented to its being stated in an Annex to the Treaty that, as good neighbours to Turkey, they undertook to give notice beforehand to the Porte whenever it was their intention to transport troops or material of war through the Straits. M. Timiriaseff made the somewhat singular remark that the Concession by the Porte to Russia of the right to transport troops and war material through the Straits could not be equally claimed by other foreign Governments, inasmuch as Russia was the only nation (except Turkey) which possessed ports in the Black Sea, as well as in other waters of the world, and was the only Power, therefore, which stood in need of this facility.

The Russian Treaty with Servia has been agreed upon, and is now drawn up ready for signature as soon as the full Powers arrive from St. Petersburgh. M. Timiriaseff being named in it as one of the Russian Plenipotentiaries, it is necessary that he should return here in order to sign this Treaty, and he informed me that he hoped to be relieved from his duties at Constantinople, so that he might come back to Belgrade for this purpose in about three weeks' time.

I am about to send a copy of this despatch to Her Majesty's Representative at Constantinople.

I have, &c.
(Signed) EDMUND FANE.

No. 32.

Sir A. Nicolson to the Earl of Rosebery.—(Received September 22.)

(No. 136. Commercial.)

My Lord, *Therapia, September* 11, 1893.

WITH reference to your Lordship's despatch No. 53, Commercial, of the 28th August, I have the honour to transmit copy of a note which I have addressed to his Excellency the Minister for Foreign Affairs, in answer to his request for the renewal of negotiations for a new Commercial Treaty.

I have, &c.
(Signed) A. NICOLSON.

Inclosure in No. 32.

Sir A. Nicolson to Saïd Pasha.

M. le Ministre, *Therapia, September* 11, 1893.

YOUR Excellency did me the honour of addressing me a note on the 31st July relative to the negotiations for a new Commercial Treaty; and your Excellency expressed the desire that the discussion of these Articles of the Treaty which were still in suspense should be resumed with the least possible delay. In reply, I have the honour to state to your Excellency that there are certain Articles of the Treaty, irrespective of those relating to Customs formalities, upon which the views of Her Majesty's Government have on several occasions been communicated to the Ottoman Delegates.

An understanding with regard to these Articles has, however, not yet been arrived at, owing to the representations which the British Delegates were instructed to make having failed hitherto in obtaining a modification of the instructions issued by the Sublime Porte to the Ottoman Delegates. I should be glad, therefore, if your Excellency would be so good as to inform me whether any fresh instructions have been addressed to the Ottoman Delegates, which would give a reasonable hope of a satisfactory solution of the questions upon which a divergence of views exists.

With regard to the discussion of those Articles of the Treaty which govern the provisions of the "Règlement Douanier," I would beg to point out to your Excellency that it is essential that an agreement should be arrived at in respect to the "Règlement" itself prior to the signing of such Articles, as it will doubtless be found that many of the details of the latter will be more properly embodied in the "Règlement Douanier" than in the Treaty itself.

I avail, &c.
(Signed) A. NICOLSON.

No. 33.

The Earl of Rosebery to Sir A. Nicolson.

(No. 59. Commercial.)

Sir, *Foreign Office, September* 28, 1893.

I APPROVE the note which you addressed to Said Pasha in reply to his request for the renewal of commercial negotiations, copy of which is inclosed in your despatch No. 136, Commercial, of the 11th instant.

I am, &c.
(Signed) ROSEBERY.

No. 34.

Sir A. Nicolson to the Earl of Rosebery.—(*Received October* 13.)

(No. 147. Commercial. Confidential.)

My Lord, *Therapia, September* 25, 1893.

MR. FANE was good enough to forward to me copy of his despatch No. 34, Commercial, of the 13th instant, relative to the summons to Constantinople of the Russian Commercial Delegate, M. Timiriaseff; and I have the honour to state that the Italian Ambassador informed me that he questioned M. de Nélidow on the subject. The latter said that, having heard that M. Timiriaseff had practically concluded his commercial negotiations at Belgrade, he had requested permission to call him to Constantinople, as he was the only official who had really technical knowledge in regard to Commercial Treaties. M. de Nélidow added that he was in no hurry to conclude the Treaty, and did not intend to hasten matters.

In regard to Article XVII in the Russo-Turkish Commercial Treaty relative to the passage of munitions of war through the Straits, Count Collobiano was under the impression that it would be very probably eliminated from the Treaty itself, and embodied in a separate Declaration or Protocol. His Excellency also thought it was probable that the

Russians would be inclined to make a concession so far as to agree to give previous notice to the Ottoman Government of any passage of munitions of war.

I have, &c.
(Signed) A. NICOLSON.

No. 35.

Sir Clare Ford to the Earl of Rosebery.—(*Received November* 30.)

(No. 170. Commercial. Confidential.)

My Lord, *Constantinople, November* 9, 1893.

I HAVE the honour to inform your Lordship that it has come to my knowledge from a private but reliable source, that the Sultan is displeased at the dilatory manner in which the negotiations for Commercial Treaties with foreign Powers are at present being carried on, and His Imperial Majesty is urging his Ministers to conclude them with the least possible delay.

I understand that His Imperial Majesty has even uttered a threat that if they are not signed by the end of March, the provisions of the new Turkish Tariff will be put into operation, although no new Treaties may in the interim have been concluded with foreign Powers, Germany excepted—that country having signed a Treaty of Commerce with Turkey on the 26th August, 1890.

It is most improbable that such a threat can be carried into execution, and, indeed, were any attempt to be made in that direction, it would certainly be resisted by Her Majesty's Government.

Since my return to Constantinople no overtures have been made to me by the Sublime Porte to resume the commercial negotiations, and I am able to report that, in spite of a few desultory meetings held by the Delegates of foreign Powers and their Ottoman colleagues, no progress whatever in the matter has been made.

The inclosed Memorandum will place your Lordship in a position to judge how little has been done.

I have, &c.
(Signed) FRANCIS CLARE FORD.

Inclosure in No. 35.

Memoranda by Mr. Wrench and Mr. Block.

Italian Negotiations.

SINCE the last Report on this subject, the Italian Delegates have been frequently invited by Artin Pasha to resume and terminate the negotiations for a new Treaty. As instructed, however, by their Government, who are disinclined to finish until the other negotiating Powers are prepared to sign, they turned a deaf ear to Artin Pasha's solicitations until lately, when a meeting was held.

At this meeting the Italian Delegates insisted, as a *sine qud non*, that their Preamble —which corresponds to our Article No. XXVII, "Ancient Treaties"—the word "usages" should be inserted, so that not only should the stipulations of ancient Treaties, but also ancient usages, be maintained unless abolished by the new Treaty.

They were told by the Ottoman Delegates that the Porte, foreseeing the endless difficulties that the introduction of so vague a term as "usages" would entail, would appose a most decided veto to the Italian demand, and here the matter has been allowed to remain.

A point was raised with regard to the Italian Article, which corresponds to the first paragraph of our unsigned Article III, and which shows that the Porte intends to make free use of the certificates of origin under the new Treaty. The Italian Delegates were informed that, unless accompanied by a satisfactory certificate of origin, any imported produce which might be suspected as coming from a country not entitled to most-favoured-nation treatment, such as Roumania, Servia, or Bulgaria, would be treated as produce of those countries, and, consequently, be subjected to higher rates of duty than

those shown in the Unified Tariff applying to nations enjoying most-favoured-nation treatment.

The Italian Delegates protested, and declared that if Italian merchants purchased produce of any country whatsoever, such produce became by the act of purchase Italian merchandize, and, as such, entitled to entry into Turkey under the Unified Tariff. The question was left in suspense. It would appear, under the face of it, to interest Russia, Austria, and Italy to a greater extent than more distant countries, such as England, although there is no knowing to what an extent the Custom-house may go in their demands for proof of origin. But if the *Italians* gain their point, it is tantamount to preventing the Porte from enforcing any special Tariff on the countries not enjoying most-favoured-nation treatment, considering that to avoid payment of enhanced duties, the produce of such countries would certainly be introduced into Turkey by merchants subjects of one of the greater Powers.

The only other question touched upon was that of the "Règlement Douanier," and the Turkish Delegates stated that they were prepared to send an official to attend the meetings which were being held by the European Delegates with a view to drawing up Rules which would be acceptable to all parties.

The Italian Delegates have communicated this announcement to the Delegates of Austria, France, England, and Russia, and a letter has been drawn up from the Italian Delegates to Artin Pasha, accepting his proposal. Therefore, when the "Règlement Douanier" has been completed and approved by the European Delegates, the presence of this official will be invited.

(Signed) WILLIAM H. WRENCH.

Russian Commercial Treaty Negotiations.

(Confidential.)

These negotiations were broken off in the early part of the year owing to a divergence of views between the Porte and the Russian Government as to the wording of Article XVII regarding the transport of war material through the Straits.

M. Timiriaseff, the principal Russian Delegate, who had been at Belgrade negotiating a Commercial Treaty with Servia, was called to Constantinople during the summer, and before leaving Belgrade I am informed that he stated that, unless the Turkish Government were inclined to give way on the subject above mentioned, no further progress with the Treaty was possible, and he therefore concluded from the fact that he had been summoned to Constantinople, that an understanding on this point had been arrived at.

On his arrival here he found that M. Maximow, Second Dragoman of the Russian Embassy and Second Russian Delegate, had obtained the support of Artin Pasha, but Saïd Pasha obtained timely information of the Turkish Delegate giving way on the point at issue, and, in spite of the pressure put upon the Porte and Palace by the Russian Embassy, Saïd Pasha's views prevailed.

M. Timiriaseff had no meeting at the Porte, nor did the Ottoman Delegates visit him at his residence. Meetings did, however, take place at the house of a third party, but the negotiations led to no result, and M. Timiriaseff left.

During the summer, whilst M. Maximow was endeavouring to arrive at an understanding on Article XVII, he evaded making any efforts to conclude the agreement between the foreign Delegates with regard to the new "Règlement Douanier." Now, however, that there seems little chance for the present of any agreement on Article XVII, M. Maximow has expressed his willingness to rejoin his foreign colleagues in the elaboration of this "Règlement."

(Signed) ADAM BLOCK.

November 7, 1893.

Austrian Commercial Negotiations.

The Austrian Embassy has been pressed on several occasions by the Porte to authorize its Delegates to resume negotiations, and the Porte at last stated that the Turkish Delegates would be instructed to make certain concessions on the points at issue.

On this understanding, the Austrian Delegates informed their Ottoman colleagues that they were prepared to take note of any concessions, and would submit them to

Vienna. They added that the instructions from Vienna were so clear, that no discussion on any disputed points was possible.

The Turkish Delegates stated that the Council of Ministers had consented to the declaration regarding the free storage of coal, which point had been insisted upon by Austria, but hitherto refused by the Porte. It is a point which the British Delegates are also insisting upon.

The Turkish Delegates also stated that the Porte was prepared to admit the right of convents to enjoy, as in the past, immunities from customs duties.

No other concessions were made.

I venture to submit that when the Turkish Government proposes to Her Majesty's Government to resume negotiations, the British Delegates should follow the same line as that adopted by the Austrian Embassy.

(Signed) ADAM BLOCK.

November 7, 1893.

French Commercial Negotiations.

The French Delegate has had one meeting this summer for the negotiation of the new Treaty. No progress whatsoever was made, M. Gazay stating to his colleagues that unless concessions were made on the part of the Turkish Government further negotiation was useless. M. Gazay said there were some ten points still at issue, most of them, it is true, insignificant, but upon two of them the French Government would not give way. There are the question of the octroi and municipal duties, which the French Government would never accept, and he therefore insisted on either a fresh wording of Article III, or its total suppression. The other question is that of the "Règlement Douanier," which must be settled after discussion with the foreign Powers.

(Signed) ADAM BLOCK.

November 8, 1893.

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